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ERNEST ANGELO, JR

*Petroleum Engineers*

410 NORTH MAIN

MIDLAND, TEXAS 79701

(915) 684-4440

JAN 10 2005

*Henick-*

*Need you to call  
CEO and get  
a response ASAP.*

Karl Rove  
The White House

*land*

September 20, 2002

Dear Karl:

I am faxing a couple of pages of information from TIPRO regarding a recent action by the EPA. This EPA proposed regulation is ridiculous and will be very damaging to the oil and gas industry, particularly independents, if allowed to stand. It is causing a number of our strongest supporters to openly express doubt as to the merit of electing Republicans when we wind up with this type of stupidity.

I am sure the President would quickly realize how absurd this is if he had time to consider it. Anything you can do to get Administrator Whitman to focus on this would be appreciated.

As always, thanks for all you do. The President has the opposition on the run on the Iraq issue.

Best regards,

*Ernest*

Ernest Angelo, Jr.

EA/mw

## TIPRO LETTER TO ADMINISTRATOR WHITMAN:

Dear Administrator Whitman:

Within a matter of days, your agency will put the finishing touches on a proposed general permit for the Phase II NPDES Storm Water Permitting Program that, in our opinion, will have major negative effects on the domestic oil and gas producing industry while realizing only a marginal environmental benefit. In addition, there are serious questions whether Congress or the courts will agree that this General Permit should apply to our industry. The relevant statute provides an express exemption for "discharges of stormwater runoff from ... oil and gas exploration, production, processing, or treatment operations or transmission facilities." 33 USCA Sec. 1342(l)(2).

We respectfully request that you personally intervene in this matter. Time is of the essence. Between the time you receive this letter and the time the General Permit is published for public comment (which we expect will happen in three or four weeks), we urge you to consider including a temporary waiver for oil and gas activities. This would not be the only waiver in the proposal. A waiver of approximately two years would give Congress and the courts time to review the legal and policy issues involved, but would not require EPA to immediately reverse its own legal or policy positions.

The Texas Independent Producers and Royalty Owners Association, together with the Louisiana Independent Oil & Gas Association and the Oklahoma Independent Petroleum Association, has met with EPA officials concerning this matter and filed extensive comments in an effort to reduce the burdens that will be caused by the contemplated requirements. EPA representatives have been cordial and, within limits, have appeared open to accommodating some of our concerns. In no way, however, does this mean that we agree that the General Permit should be applied to our activities. The effects on our ability to develop the nation's oil and gas resources would be extreme even if EPA were to accept all of our industry association suggestions, which of necessity had to fit within a 'template' the Agency already had on the drawing board. A copy of our joint association letter regarding the pending proposal is enclosed.

We appreciate your consideration of these comments and hope that you will include the requested waiver in the proposal.

Respectfully submitted,



A. Scott Anderson, Executive Vice President

In no way does this mean that we agree that the General Permit should be applied to our activities. The effects on our ability to develop the nation's oil and gas resources would be extreme even if EPA were to accept all of our industry association suggestions.

### HOW CAN YOU HELP?

Contact TIPRO  
headquarters at  
(512) 477-4452.



Texas Independent  
Producers & Royalty  
Owners Association  
515 Congress Avenue  
Suite 1910  
Austin, Texas 78701

Don L. Sparks  
DISCOVERY OPERATING, INC.  
800 N. MARIENFELD, SUITE 100  
MIDLAND TX 79701-3382



## TIPRO WAIVER REQUEST

### SUPPORTED BY MEMBERS OF TEXAS CONGRESSIONAL DELEGATION

Thirteen members of the Texas Congressional delegation wrote EPA Administrator Whitman on June 28 supporting TIPRO's request for a waiver from NPDES Phase II. The signatories wrote, "We are concerned that this proposal will have major negative effects on the domestic oil and gas producing industry while realizing only a marginal environmental benefit.... At a time when our nation is trying to address the many needs of our energy sector, we urge caution against regulatory actions which may produce more problems. We respectfully ask you to give all appropriate consideration to TIPRO's request."

Reps. Joe Barton, Henry Bonilla, Kevin Brady, Larry Combest, Ralph Hall, Sam Johnson, Ron Paul, Max Sandlin, Pete Sessions, Lamar Smith, Charles Stenholm, William "Mac" Thornberry and Jim Turner signed the letter. Special thanks to Reps. Stenholm and Thornberry for their leadership and for coordinating the letter.

### REJECTED BY EPA

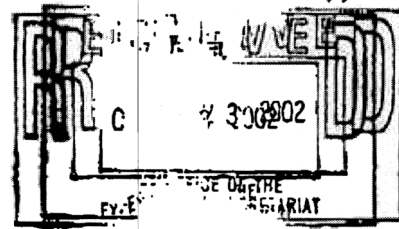
EPA rejected TIPRO's request for a two-year waiver for oil and gas activities from NPDES. In a letter dated July 12, EPA Director of the Water Permits Division Linda Booznashian simply stated that EPA will include "clarifying language" in the draft general permit for NPDES Phase II.

EPA continued, "EPA does not believe that compliance with the construction general permit will affect the industry's ability to develop the nation's oil and gas resources. EPA has a long standing policy that permit coverage is required for all types of construction activity. The existing Region VI general permit for discharges from "large" construction activity specifically mentions oil and gas sites in Oklahoma. . In other contexts, EPA has interpreted the NPDES permit requirement to apply to discharges from all forms of construction activities that result in the disturbance of five or more acres regardless of the ultimate purpose for the land disturbance. Phase II of the stormwater program extends the NPDES permit requirement to all construction activities that disturb 1 or more acres."

THE WHITE HOUSE  
WASHINGTON

October 11, 2002

READ BY CTW



Dear Ernie,

JAN 0 2005 01-10-05 PC3:52 N

There is a keen awareness within the Administration of the importance of addressing the environmental, economic, energy, and small business impacts of such a proposed action. Safe and environmentally sound production and transportation of domestic energy sources are key components of our ability to reduce dependence on foreign sources.

The EPA has agreed to work closely with the other interested federal entities and with impacted stakeholders in crafting a solution that will not unduly restrict energy production and transportation and address any true environmental issues of concern.

I appreciate your bringing this to my attention. Please call Jim Connaughton, Chairman of the White House Council on Environmental Quality, at 202-456-5147 if you would like to discuss this issue in greater detail. I've shared your letter with him.

Sincerely,

Karl Rove  
Senior Advisor to the President

Mr. Ernest Angelo, Jr.  
Petroleum Engineer  
410 North Main  
Midland, Texas 79701

KR:rem

cc: Jim Connaughton  
Secretary Christie Whitman



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

DEC 30 2002

01-13-05 PC3:5 N

OFFICE OF  
WATER

Mr. Ernest Angelo, Jr.  
Petroleum Engineer  
410 North Main  
Midland, TX 79701

JAN 0 2005

Dear Mr. Angelo:

I am writing to provide you with an update on the status of the U.S. Environmental Protection Agency's (EPA) construction general permit as it affects the oil and gas industry.

EPA is proposing a two-year postponement of the permit application deadline for oil and gas construction activity that disturbs one to five acres of land. The Agency is proposing this postponement in order to allow time for EPA to analyze and better evaluate (1) the impact of the permit requirements on the oil and gas industry, (2) the appropriate best management practices for preventing contamination of storm water runoff resulting from construction associated with oil and gas operations, and (3) the scope and effect of 33 U.S.C. 1342 (1)(2) and other storm water provisions of the Clean Water Act. We will continue to work with states, industry, and other entities as we undertake these evaluations.

Thank you for sharing your concerns on this issue. Please contact me if you wish to discuss this matter further, or have your staff call James A. Hanlon, Director, Office of Wastewater Management at (202) 564-0748.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Tracy Mehan, III", written over a light blue rectangular background.

G. Tracy Mehan, III  
Assistant Administrator

cc: Karl Rove  
Jim Connaughton  
Christine Todd Whitman